

January 12, 2021

To: Benefit Administrators / Human Resource Personnel

From: Lorne Shiplack
Benefits Services Manager, Employee Benefits

Re: 2021 Annual Measurement Results
Employee Benefit Plans

This document was prepared to provide answers to the most frequently asked questions surrounding the annual measurement activities.

The annual measure was successfully run on Thursday, January 7, 2021. Eligibility results in iHRIS as well as the Eligibility Determination Report, the New Eligibility Report and the Lost Eligibility Report located in MemberNet are now available for your review.

Where can I review my results of the annual measurement?

The Annual Eligibility Determination Report, the Annual New Eligibility Report and the Annual Lost Eligibility Report will provide the results of the annual measurement. These reports will provide you with the details on those employees who maintained, gained or lost eligibility in one or more of the Employee Benefit Plans administered by 3sHealth. As well, the reports will provide you with the details on those employees who gained eligibility into the SHEPP pension plan during the annual measurement.

Please note that during the annual measurement period, 3sHealth runs multiple queries to verify the accuracy of the data. As a result of the queries, we may manually update an employee's record in iHRIS. Manual updates will not be reflected in the eligibility reports. 3sHealth will send you an email notifying you of any manual updates made to your employee records.

The Annual Eligibility Determination Report, the Annual New Eligibility Report and the Annual Lost Eligibility Report are accessible through MemberNet for employers that subscribe to 3sHealth Payroll. The "Report Period" will be 2021. Step by step instructions on how to retrieve your reports can be found in the Benefits User Manual under the section titled "Eligibility Determination Report".

For employers who do not subscribe to 3sHealth payroll, we will send your results to you.

What impacts will the annual measure have on employees who fall under the cohorting order effective April 17, 2020?

Employees who were restricted from working at a position due to cohorting at any time in 2020 will have the actual hours they worked from January 1, 2020 to December 31, 2020 (or the date they stopped working at the restricted position) included in the annual measure. As part of the annual measure validation, 3sHealth Employee Benefits will review the benefit coverage of all employees who were cohorting in 2020 to determine:

- If the employee's annual hours were not enough to maintain benefits as a result of the annual measure, then 3sHealth Employee Benefits will manually reinstate their benefits back to the coverage they had as of December 31, 2020.
- If the employee's extended health care and dental benefits coverage increases as a result of the annual measure then their increase in coverage will begin effective January 1, 2021.
- If the employee did not have benefit coverage at December 31, 2020 and they did not work enough hours to be eligible for benefits after the annual measure runs, then the employee will be measured again on December 31, 2021.

When will 3sHealth Employee Benefits send annual welcome packages and letters to employees?

3sHealth Employee Benefits will send the annual notification letters and Enrolment Information Forms to employees, after eligibility reports and queries have been reviewed and enrolment records have been updated where required. As part of the eligibility report review, 3sHealth will verify hours with the employer for employees with 0 hours or employees that were within 50 hours of becoming benefit eligible.

Do employees have the option to convert their group life insurance to an individual policy if they lose group life eligibility as a result of the annual measurement?

Yes, employees can convert their group life insurance to an individual policy with Canada Life. Once again this year we are pleased to advise you that Canada Life has agreed to extend the conversion period until February 28, 2021, for employees losing group life eligibility as a result of the annual measurement. This extension provides employees with a little extra time to exercise their conversion option as many employees will not be notified that they are losing their coverage until mid-January. More information about the group life conversion option can be found on page 35 of the Group Life Insurance Plan commentary booklet.

Do employees who lose extended health care and dental coverage at the annual measurement on December 31, 2020 have the opportunity to continue this coverage?

Yes, employees have the opportunity to apply for coverage under the *GMS 3sHealth Retiree Health & Dental Plan*. Employees can elect to enroll in the extended health care plan, the dental plan, or both the extended health care and dental plan each detailed in the brochure available on the 3sHealth website www.3shealth.ca. If the employee elects to enroll in the *GMS 3sHealth Retiree Health & Dental Plan* coverage is a minimum one year commitment.

Employees can request to have their enrolment date with GMS backdated to January 1, 2021 and premiums will be charged in accordance with their enrolment date. Questions about the GMS 3sHealth Retiree Benefit Plan can be made directly to GMS by calling 1-800-667-3699.

Eligible employees will automatically receive an information package about their opportunity to apply to the *GMS 3sHealth Retiree Health & Dental Plan*. 3sHealth Employee Benefits will run a query to identify the employees who lost coverage effective December 31, 2020 due to annual measurement and send the information package to the employee's home address.

This offer is available only to those employees who were enrolled in the extended health care plan or dental plan and lost coverage at the annual measurement on December 31, 2020. This will not be offered to employees losing coverage for any other reason such as resignation, termination or lay-off.

After the 2021 annual measurement is complete, please review the Lost Eligibility Report to identify any employees that may have lost coverage in error. If there is an error due to incorrect hours please contact 3sHealth Employee Benefits to have the system corrected **before Friday January 22, 2021**. This will ensure that employees do not receive the GMS information package in error.

When will 2021 claim payments begin?

Claim pre-authorizations submitted after December 14, 2020 or claims incurred in January 2021, will be held by Canada Life until the annual measurement process is complete. Canada Life will begin processing pre-authorizations and claims in mid-January in the order they were received and will work diligently to be caught up by February 15, 2021.

Please note that the OOS Flexible Spending Account 2021 claims for participating out-of-scope plan members will also be frozen until the end of January as we complete the OOS Flexible Spending Plan annual process.

What should I do if I have questions about the annual measurement results?

If you have questions about your annual measurement results please send an email to ebp@3sHealth.ca or contact us by telephone at 1.866.278.2301. If you are emailing your question, **please ensure that you put "ANNUAL INQUIRY" in the subject line along with the employees name and benefit ID number.** Upon receipt of your inquiry the 3sHealth Employee Benefits team will:

- review your inquiry
- provide a timely response (our service standard is to respond within 24 hours)
- communicate to other employers if necessary

Please note that we do experience a very high volume of inquiries following the annual measurement. Every effort will be made to assist you as quickly as possible.

My group life insurance has ended, what next?

You can use this handy group life insurance conversion fact sheet

Stuff happens - you've lost or had your Canada Life group life insurance reduced. Don't worry; there may be options. It depends on your case, but we have an individual life insurance conversion policy. You can be eligible to apply, even without medical evidence of insurability.

Apply if

Your plan member status has changed. Reasons include:

- Changes in your job status
- Your employer ends the plan without offering something else
- Your employer reduces the amount of life insurance coverage available

Please know, you must apply for conversion within 31 days of the change to your group life insurance. This includes paying the first premium in full.

You can't apply if

- Your coverage ends on or after your sixty-fifth birthday.
- Your relation ends - your spouse's coverage ends if you are offering coverage to a different spouse. In this case, your previous spouse can't apply for conversion.

To apply, talk to your plan administrator or your advisor.

Common questions

Do I have other options?

Yes, you do. You can apply for a non-conversion individual life insurance policy. This may serve you better by providing coverage that meets your needs. Rules include meeting a set of medical terms.

What if I apply for a non-conversion policy and I'm not accepted?

If you don't meet the medical terms, you'll get the conversion life insurance policy instead.

Can I apply for the non-conversion options first?

Yes, you can.

Can I still get conversion options later?

Yes! If you apply within 31-days and don't meet the medical terms, we'll cover you under the conversion life insurance policy.

Still have questions? Contact your plan administrator for help with conversion or non-conversion options.

Does the new individual life insurance policy cost the same as the group life insurance plan?

It depends. Group life insurance and individual life insurance have different rules (e.g., health, age, gender, etc.). You'll likely find that individual policy rates are higher than what you have been paying.

How much coverage can I convert?

You can convert either \$200,000 or the amount of your life insurance coverage, whichever is the lesser amount. The max amount for spousal life insurance conversion is the amount of coverage at the time the insurance ends.

What happens if I die during the 31-day conversion period? (Before applying for conversion)

We'll pay the max conversion amount.